

SOUTH CAROLINA SUCCEEDS IN ATTRACTING KNOWLEDGE WORKERS

A Study of Migration and Labor Force Growth in South Carolina

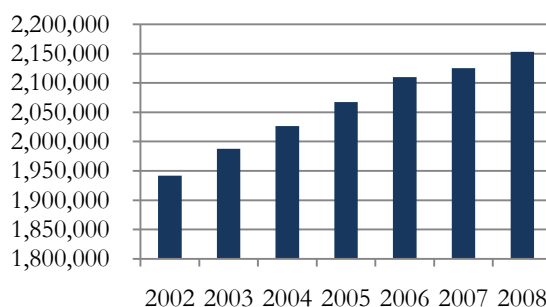
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Introduction

Since 2002, South Carolina has enjoyed one of the fastest growing labor forces in the country. With a labor force increase of over 210,000 workers between 2002 and 2008, South Carolina ranks eighth in the country for total labor force growth rate¹. While this influx of workers is a testament to the job opportunities perceived and realized in the state, it also presents a challenging issue during recessionary periods of employment contraction. This paper provides some insight into the migration patterns affecting South Carolina and its labor market, highlighting the success South Carolina has realized in attracting highly educated talent from across the US. Unless otherwise stated, all data in this paper comes from the 2005-2008 American Community Survey, released by the US Census Bureau in November, 2009. All manipulation of these data provided in this report was performed by the South Carolina Department of Commerce, Division of Research.

Figure 1: South Carolina Labor Force



Source: Bureau of Labor Statistics, Current Population Survey

South Carolina and Interstate Migration

In 2008, South Carolina's population grew by 40,400 residents due to interstate migration, making it the 4th ranked in the country, behind Texas, North Carolina and Arizona. However, each of these states is at least 50% larger than South Carolina based on total population. Table 1 shows the top 10 states in the US for total net migration. South Carolina welcomed 152,700 residents in 2008 and 112,300 left the state, resulting in the net migration of 40,400. This positive net migration resulted in a labor force growth of 24,100 additional workers in South Carolina in 2008, also ranking South Carolina 4th among states. The labor force participation rate of 59.7% of migrants to South Carolina is comparable to the employed population ratio of the state as a whole, at 60.2%.² Thus, the in-migration has neither a diluting nor concentrating effect on the

¹ Bureau of Labor Statistics, Current Population Survey

² U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, Geographic Profile of Employment and Unemployment, 2007 Annual Averages, July 2008.

overall labor force participation rate in the state. Examining a longer period, from 2005 through 2008, shows similar results. Over that time, South Carolina's net interstate migration was 183,400 individuals, making it 5th among all states for net migration during that period. This in-migration resulted in a labor force growth of 95,200, which is approximately 4.4% of the total estimated 2008 labor force. Of the 40,400 net migrants to SC in 2008, there was only a net increase in those who report being unemployed in 2008 of 2,200. There were 9,155 in-migrants unemployed and 6,955 out-migrants who were unemployed.

**Table 1: Top Ten US States by
Approximate 2008 Net Migration**

State	2008 Net Migration	National Rank
Texas	+129,400	1
North Carolina	+87,900	2
Arizona	+41,900	3
South Carolina	+40,400	4
Georgia	+32,400	5
Washington	+31,900	6
Utah	+31,600	7
Colorado	+29,800	8
Tennessee	+28,300	9
Oklahoma	+26,000	10

The largest numbers of interstate migrants to South Carolina come from neighboring states. Between 2005 and 2008, 105,200 movers from North Carolina and 68,400 from Georgia have located in South Carolina. Predictably, these states also welcome the greatest share of out-migrants from South Carolina; 97,500 to North Carolina and 57,100 to Georgia over the same period. On a net basis, South Carolina's population has increased the most due to migration from Florida, New York and New Jersey as shown in Table 2. The estimated labor force participation rates shown in the table give some indication of the reasons for migration to South Carolina. The low participation rates for in-migrants from New York, New Jersey and Maryland are likely due to the higher proportion of retiree migration from these states, whereas the higher labor

force participation rates of migrants from Michigan and Illinois indicates that more of these moves are prompted by a more favorable employment climate in South Carolina.

Table 2: Approximate Interstate Migration to and from South Carolina, 2008

Origin or Destination State of Migration	In-Migration from State to SC	Out-Migration to State from SC	Net Migration with SC	Labor Force Participation Rate of In- Migrants
Florida	64,400	37,600	26,800	55%
New York	34,700	13,800	20,900	49%
New Jersey	22,700	6,000	16,800	40%
Maryland	23,200	11,000	12,200	47%
Georgia	68,400	57,100	11,300	56%
Michigan	13,700	3,400	10,300	64%
Illinois	15,400	6,000	9,400	61%
Pennsylvania	19,700	11,500	8,200	55%
North Carolina	105,200	97,500	7,700	56%
California	19,800	12,200	7,600	59%

Demographics of Interstate Migrants

As expected, age is a significant factor in migratory mobility. The migrant population in South Carolina is largely comprised of younger adults in the 18 to 24 age range, presumably starting their careers, and older adults in the 55 to 64 age range, presumably induced to move for retirement. This younger age band makes up nearly 25% of all net migration whereas it is only 10.1% of the total state population. Likewise, the 55 to 64 age band is 15.1% of net migrants while only 12.1% of the state population. Even more telling is the ratio of in-migrants to out-migrants for this older demographic. For every one out-migrant in the 55 to 64 band, 2.1 in-migrants come to South Carolina. Overall, the ratio is 1.3 in-migrants for every out-migrant.

Table 3: Approximate Distribution of South Carolina Interstate Migrants by Age, 2005-2008

Age Group	In-Migration	Out-Migration	Net Migration	% Of Net Migration	% of Total State Population in Age Group
<18	122,500	107,300	15,200	10.5%	23.7%
18-24	139,800	103,800	35,900	24.8%	10.1%
25-34	121,400	102,000	19,400	13.4%	12.6%
35-44	82,000	65,200	16,800	11.6%	13.9%
45-54	61,600	40,800	20,900	14.4%	14.2%
55-64	41,900	19,900	21,900	15.1%	12.1%
65+	37,800	22,900	14,900	10.3%	13.3%
Total	606,900	461,900	145,000	100.0%	100.0%

There is also a significant difference in migratory mobility between races. As shown in Table 4, while the overall population of South Carolina is 28.3% black, they comprise only 14.1% of net interstate migration and white migrants make up nearly 80% of net migration and 67% of the state population. In Table 5, “other” includes American Indian, Alaska Native, Asian, Native Hawaiian and others. These groups were not large enough to have statistically significant migration when analyzed individually.

Table 4: Approximate Distribution of South Carolina Interstate Migrants by Race, 2005-2008

Race	In-Migration	Out-Migration	Net Migration	% Of Net Migration	% of Total State Population
White	446,800	331,000	115,800	79.8%	67.3%
Black	115,100	94,600	20,400	14.1%	28.3%
Other	45,000	36,200	8,800	6.1%	4.4%
Total	606,900	461,800	145,000	100.0%	100.0%

Educational Attainment and Occupations of Interstate Migrants

In 2008, South Carolina welcomed over 26,000 college graduates including approximately 800 doctorate degree holders, as shown in the table below. While approximately 18,400 college graduates left the state, the net effect on South Carolina's population is over 7,600 new college graduates to the state. By comparison, South Carolina matriculated 20,252 Bachelor's degrees and 603 PhD degrees in the 2007-2008 school year³.

Table 5 provides some insight into the educational attainment of interstate migrants to and from South Carolina. Net migration is positive for all levels of educational attainment; however, the net effect of migration is more pronounced as a percent of total state labor force for the more educated.

Table 5: South Carolina Interstate Migration by Educational Attainment, 2008

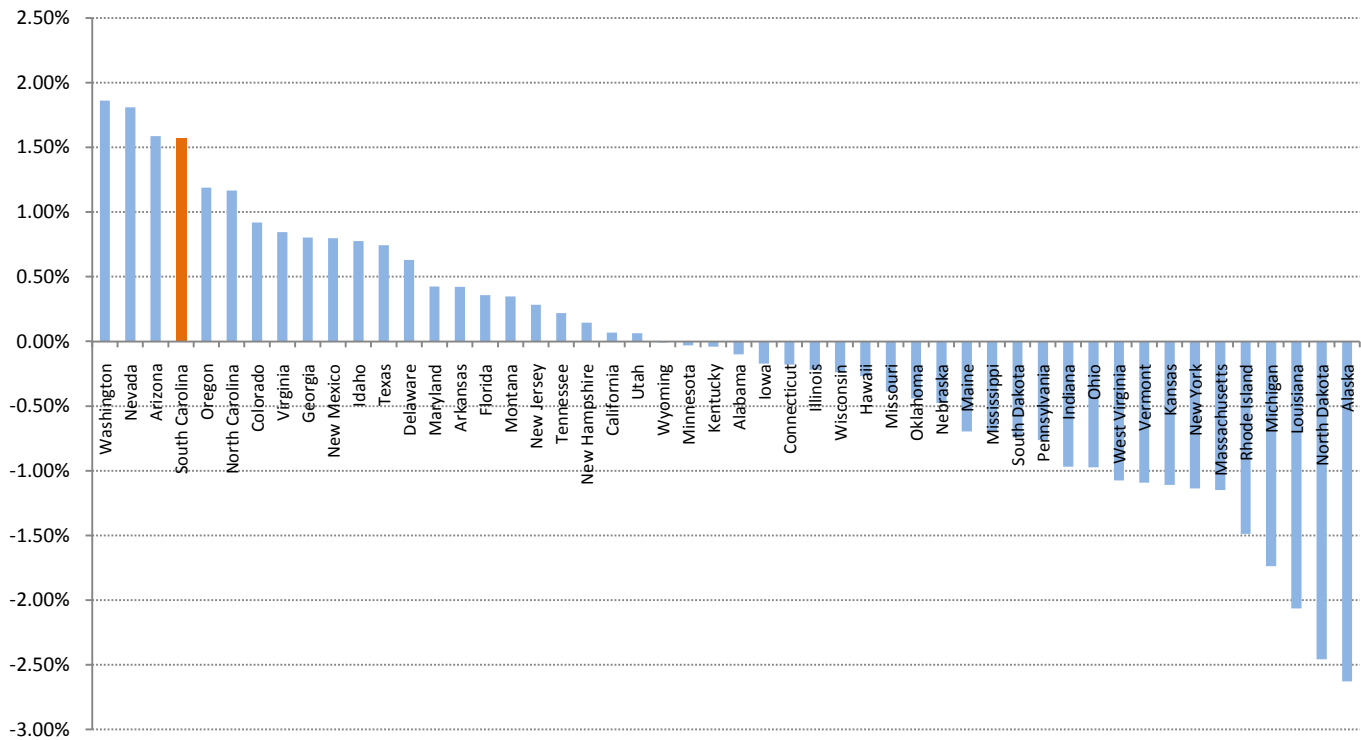
	In-Migrants in Labor Force	Out-Migrants in Labor Force	Net Migration in Labor Force	Total SC Labor Force Population
Less than HS Diploma	5,400	3,000	2,300	240,234
HS Diploma or Equiv.	25,200	19,000	6,200	661,791
Some College	21,000	17,000	4,000	519,870
Associate's Degree	6,800	4,000	2,800	208,814
Bachelor's Degree	17,200	13,200	4,000	368,807
Master's or Prof. Degree	8,000	4,800	3,200	167,408
Doctorate Degree	800	400	400	21,236

Source: 2008 American Community Survey, 2009 Q1 QCEW, SC Department of Commerce Analysis

The effects of migration on South Carolina's knowledge-worker labor force are even more pronounced when looking over a longer time horizon. Between 2005 and 2008, South Carolina attracted approximately 108,000 college educated labor force participants from other US states. While approximately 74,000 have left the state, the net migration of 34,000 college educated workers makes South Carolina one of the most attractive destinations in the country for knowledge workers. This net migration ranks 7th nationwide, and as a percentage of total state labor force, the net influx of college graduates ranks 4th as shown in Figure 2 below.

³ SC Commission on Higher Education, 2009 Statistical Abstract, <http://www.che.sc.gov/Finance/Abstract/Abstract2009-web.pdf>

**Figure 2: Net Migration of College Graduates (2005-2008)
as a Percent of Total State Labor Force (2008)**



The overall effect of this interstate migration is enhancing South Carolina's labor force for knowledge-economy jobs. Figure 3 provides the educational mix of the net interstate labor force migration on South Carolina compared to the educational mix of the total South Carolina labor force. While 35% of the state's labor force has an associate's degree or higher, the educational mix of net migrants to South Carolina is over 45% with an associate's degrees or higher. Likewise, the proportion of net migration with a PhD is 80% higher than South Carolina's labor force as a whole. Thus, interstate migration has a positive effect by improving the overall educational mix of South Carolina's workforce.

Figure 3: Educational Attainment of Interstate Migration to SC and Total Labor Force, 2005-2008

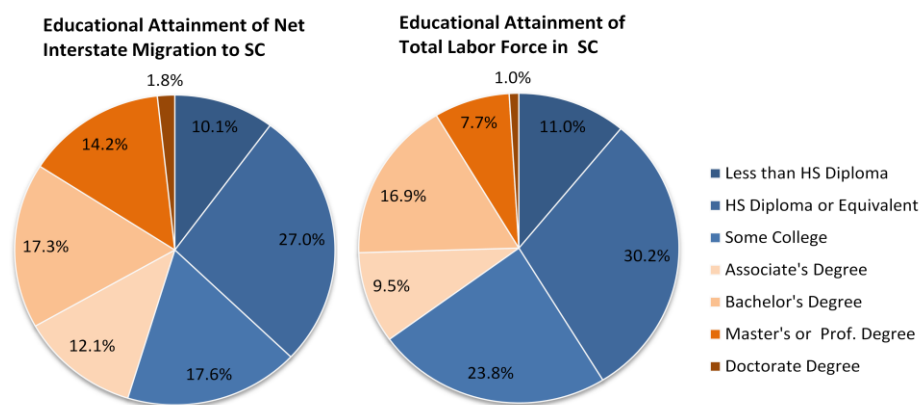


Table 6 provides the top ten occupational groups by net interstate migration to South Carolina. Military occupations top the list, but other high-wage categories such as healthcare practitioners and management also appear in the top ten. The average hourly pay for many of the occupations with high net migration exceeds the average hourly wage for all South Carolina workers. The net effect of migration to South Carolina is a positive contribution to the state's per capita income.

Table 6: Approximate Interstate Migration to/from South Carolina by Occupation, 2005 - 2008

Occupation Group	In-Migration	Out-Migration	Net	Average Wage
Military	40,900	17,100	23,800	N/A
Sales	42,900	27,300	15,600	\$14.36
Education	18,600	8,500	10,100	\$20.23
Construction	24,300	17,900	6,400	\$15.99
Community and Social Services	7,900	2,600	5,300	\$17.35
Management	22,200	16,900	5,300	\$42.24
Food Preparation and Serving	21,700	18,200	3,500	\$8.68
Healthcare Practitioners and Technical	14,100	11,200	2,900	\$29.49
Production	11,200	9,000	2,200	\$15.21
State Average				\$17.33

Labor Force Growth in South Carolina

As a region, the southeastern United States has outperformed the rest of the country for in-migration and labor force growth over the last decade; however, South Carolina has attracted a higher share than most of its neighboring states, behind only Florida and Georgia in the Southeast. For every year between 2002 and 2008, South Carolina has experienced positive labor force growth.

Within South Carolina on a county-wide basis, labor force and employment growth have occurred predominately in the metropolitan areas, which has been more pronounced along the coast. All of the major metropolitan counties and the majority of coastal counties experienced labor force growth exceeding 8% between 2002 and 2008. Over that period, the national labor force grew 6.5%. The map below shows South Carolina's labor force growth from 2002 to 2008, by county.

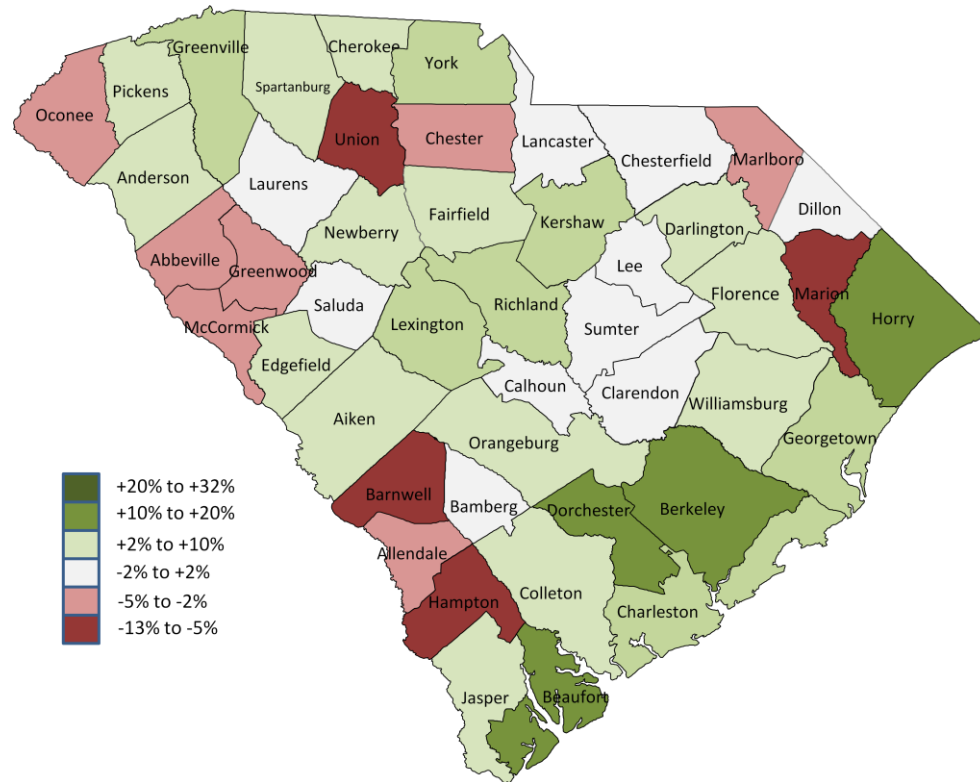
Table 7: Labor Force Growth in Southeastern U.S. States, 2002 - 2008

State	Labor Force Growth Rate (2002-2008)	Rank Among US States
Florida	13.6%	4
Georgia	11.6%	7
South Carolina	10.9%	8
Virginia	10.2%	10
North Carolina	7.9%	16
Tennessee	6.1%	22
Louisiana	3.4%	35
Alabama	2.6%	40
Mississippi	0.9%	47

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 4: South Carolina Labor Force Growth by County, 2002 to 2008

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages



Conclusions

Coupled with a rapidly growing workforce and an evolving economy, South Carolina's labor markets have experienced a significant transition since 2002 and before. A close examination of migration statistics from the American Community Survey of 2008 bears this out, as South Carolina has consistently attracted movers from across the country to fill positions in the growing knowledge-economy sectors of employment. While a significant portion of this employment growth has occurred in the more urban areas of the state and in specific growing industries, the total effects on the South Carolina economy is much more widespread. Overall, the relatively high level of in-migration to South Carolina positively affects the state's educational attainment statistics and earnings.